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UNCLAS SECTION 01 OF 02 JAKARTA 002610

SIPDIS

STATE FOR U/S JEFFERY
STATE FOR A/S HILL, EAP/MTS, EB/IFD, INL/C, INL BOULDIN
DOJ FOR AAG BRUCE SWARTZ, OPDAT FOR LEHMANN/ALEXANDRE
MCC FOR AMBASSADOR DANILOVICH AND MORFORD
DEPT PASS USTR
TREASURY FOR IA - BAUKOL
USAID FOR ANE/AA WARD

SENSITIVE
SIPDIS

AIDAC

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TAGS: [PGOV](#) [KMCA](#) [KCOR](#) [ECON](#) [KJUS](#) [ID](#)
SUBJECT: U/S JEFFERY BRIEFED ON ANTI-CORRUPTION REFORM SUCCESSES,
WAY FORWARD

REF A) JAKARTA 13603 (CC decision); B) JAKARTA 1391 (Indonesia
debates reform of ACC)

JAKARTA 00002610 001.2 OF 002

11. (SBU) SUMMARY: Indonesia's Corruption Eradication Commission (KPK) leaders told visiting Under Secretary for Economic, Energy, and Agricultural Affairs Reuben Jeffery III September 10 that they have "caught some big fish" (e.g. former governors), but anti-corruption reform will take decades. They also stressed that institutional reform throughout the judicial sector is a top priority. U/S Jeffery expressed strong support for the KPK and anti-corruption reform in Indonesia, noting the significant progress the KPK has made in its four-year tenure. With MCC Threshold support, the KPK is developing its institutional foundation and setting a strategic direction for anti-corruption reform in Indonesia. End Summary.

KPK Making Progress and "Catching Big Fish"

12. (U) KPK Commissioners Erry Riyana and Amien Sunaryadi briefed U/S Jeffery on the KPK's tasks, authorities, organizational structure, challenges, needs, and strategic plan. The KPK, an independent institution, leads anti-corruption reform in Indonesia. Riyana said that the KPK selects cases to prosecute based on three criteria: cases involving law enforcement and state officials; cases generating significant public concern; and cases with losses to the state over 1 billion Rupiah (\$106,000). Addressing critics' accusation of the KPK being selective in its investigations, Riyana said that the KPK does not have that "luxury," although he did note that some cases take longer to investigate based on the complexity of the case and the ease of obtaining evidence. Riyana stated that the KPK has "caught some big fish," including two former governors, a minister, and Supreme Court officials.

Mandate - Resource Gap Still Wide, but Decreasing

13. (SBU) U/S Jeffery noted the disparity between the KPK's broad mandate (coordinate, supervise, investigate, prosecute, prevent, and monitor) and its limited resources and staff. The KPK currently has 400 staff with plans to augment that number to 600 by 2008. The KPK has 91 pre-investigators, 58 investigators, and 20 prosecutors. Erry Riyana and Syamsa Ardisasmita (KPK Secretary General) have previously told us that the KPK will prioritize personnel additions in these three areas where capacity is currently limited. Through June 2007, the KPK is pre-investigating 54 cases, investigating 21, and prosecuting 16, recovering an estimated 50 billion Rupiah (\$5.75 million).

14. (U) Commissioner Riyana praised cooperation between the KPK and its anti-corruption partners in the Attorney General's Office (AGO) and Indonesian National Police (INP). Riyana stated that the KPK, AGO, and INP coordinate case loads, implicitly acknowledging the limited capacity within the KPK. The KPK is designated to investigate and prosecute higher profile cases whereas the AGO handles lower profile cases and those cases outside of Jakarta. The KPK's mandate permits it to investigate and prosecute cases from 1999 onwards, whereas the AGO has no restrictions based on the time period of the case. At present, the KPK prosecutes its cases in the Anti-Corruption Court and the AGO tries its cases in the district courts. However, a December 2006 Constitutional Court decision mandates changes to this arrangement in order to provide more legal certainty to those being prosecuted (see reftels).

Judicial Reform as a Top KPK Priority

15. (U) Commissioner Riyana highlighted judicial reform as a top priority in the broader anti-corruption reform agenda, starting with the Supreme Court. Commissioner Sunaryadi highlighted the KPK's

JAKARTA 00002610 002.2 OF 002

focus on corruption prevention, stating that prevention is the key to ending cycles of corruption. Riyana focused on institutions and processes, noting human resource, financial, information technology, and asset management systems as the keys to reducing corruption in the judicial sector. Beyond raising salaries, Riyana highlighted institutional reforms regarding recruitment, physical infrastructure, and benefits.

KPK Identifying Needs and Seeking Solutions

16. (U) Riyana noted the KPK's three strategic priorities: improving legal certainty, improving the investment climate, and increasing state income. Riyana also highlighted the current "needs" of the KPK, including: developing investigation methods, developing human resources systems, sharing information for investigations, and educating the public on anti-corruption reform. Regarding impediments to prosecuting anti-corruption cases, witness protection is guaranteed under Indonesian law. However, there is no provision for plea bargains.

17. (U) Within the \$55 Million MCC Threshold Program for Indonesia, \$35 million is designated for anti-corruption. Approximately \$11 million of this funding is in support of the KPK's efforts to enhance its capability to investigate and prosecute corrupt high-level government officials. As a broader comment on donor assistance, Riyana argued that there is too much focus on case management and training assistance. He believes that donor assistance should target management systems, which will establish a stronger institutional framework for key judicial actors. Although the pace of reform is at times slow, the Commissioners believe that President Yudhoyono is "more than 100 percent" committed to anti-corruption reform.

18. (U) U/S Jeffery cleared on this cable.

HUME